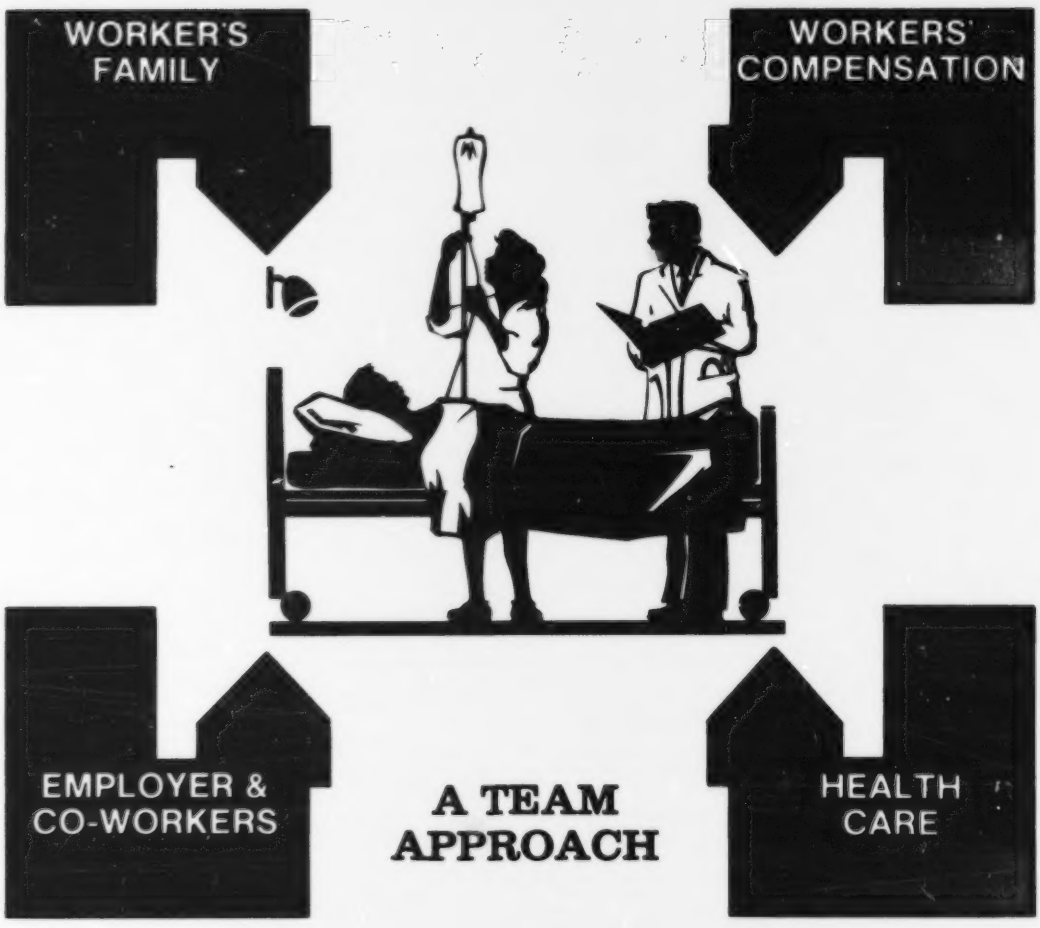
ANNUAL REPORT
1988



Workers' Compensation Commission
of Newfoundland and Labrador

The 1988 Annual Report cover design is adapted from an original drawing submitted by Norman Kennedy. All staff at the Commission were invited to submit cover designs and a $100 award was offered. Mr. Kennedy has donated the award to the Commission Employees' Scholarship Fund.

90-05261/

WORKERS' COMPENSATION COMMISSION
OF NEWFOUNDLAND AND LABRADOR

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Catherine Penney — Vice Chairperson

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Dan Whelan
Jeanette Andrews

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David Buffett, Chairperson, W.C. Appeal Tribunal - (ex-officio)

Max Bursey - Secretary to the Board

WORKERS' COMPENSATION COMMISSION EXECUTIVE COMMITTEE

Ed Maynard	— Chief Executive Officer
Max Bursey	— Executive Director Policy and Special Services
Derek Forsey	— Executive Director Corporate Services
Norman Kennedy	— Executive Director Compensation Services

DEDICATED TO THE PROVISION OF PROMPT AND ADEQUATE INCOME PROTECTION TO VICTIMS OF INDUSTRIAL INJURY AND TO THEIR FULLEST POSSIBLE REHABILITATION.

WORKERS' COMPENSATION COMMISSION
OF NEWFOUNDLAND AND LABRADOR

146-148 FOREST ROAD, P.O. BOX 9000, STN. "B", ST. JOHN'S, NFLD., CANADA A1A 3B8
Telephone (709) 778-1000 Fax (709) 738-1714

EXECUTIVE OFFICE

1989 03 31

The Honourable Minister of Labour
Confederation Building
St. John's, Newfoundland
A1C 5T7

Dear Mr. Minister

The Workers' Compensation Commission is pleased to present its Annual Report for the year 1988.

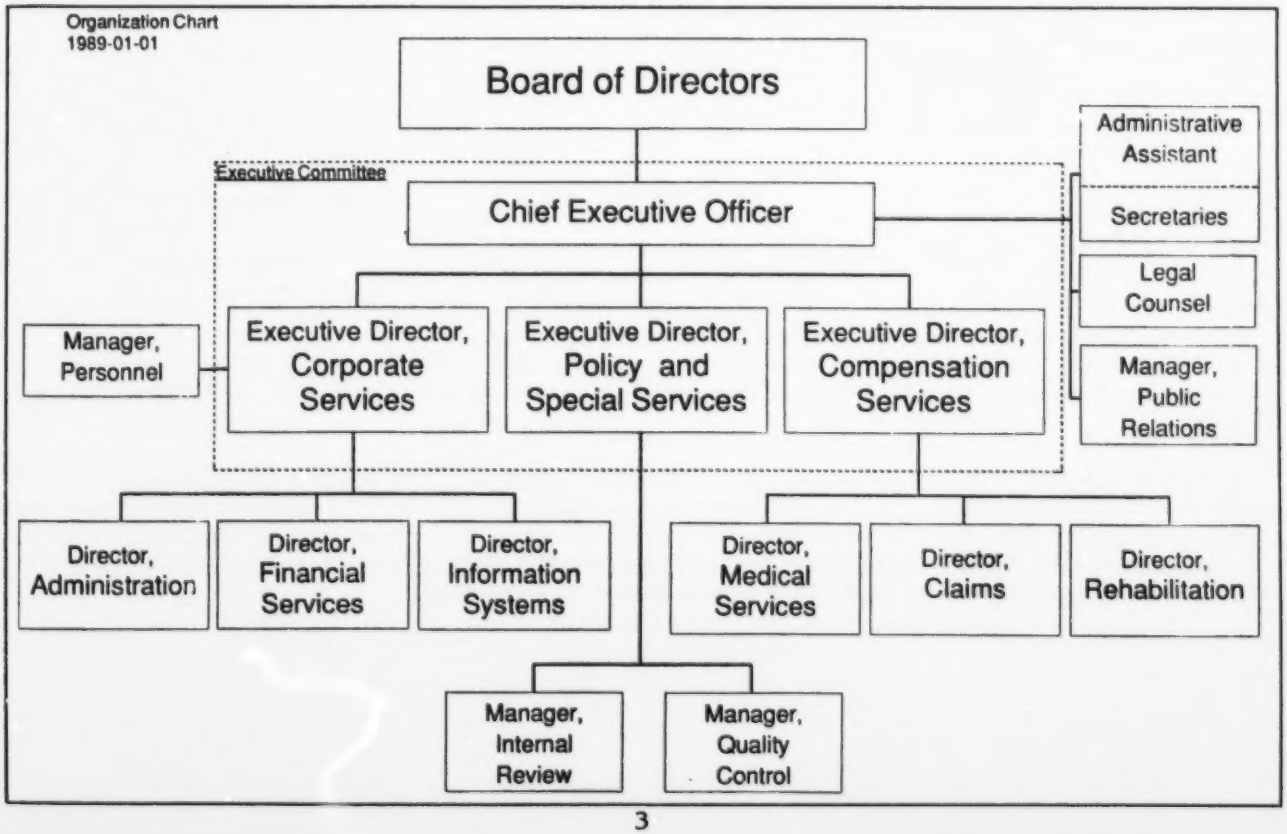
We trust that the information contained herein, regarding the activities of the Commission during the past year, is satisfactory.

Respectfully submitted on behalf of the
Board of Directors.

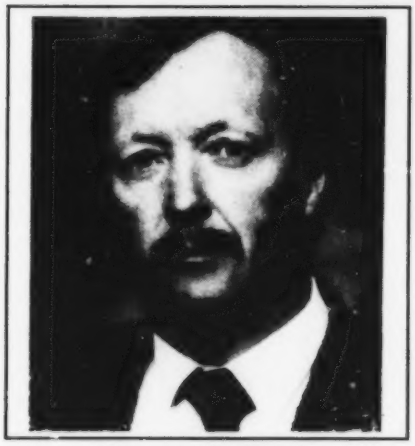
M. W. Bursey
Secretary to the Board

BOARD OF DIRECTORS, WORKERS' COMPENSATION COMMISSION

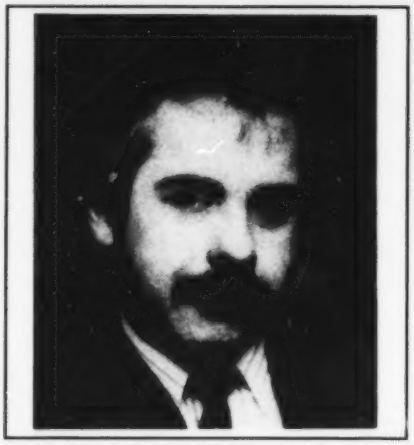
Seated (L-R): Catherine Penney, Maxine Stanley, Don Holden, Gary Reardon, Norma Frampton, John Murphy. Standing: Jeanette Andrews, Earle McCurdy, Dan Whelan, Bruce Chapman, Jean Goodyear.



Executive Appointments



Norman Kennedy



Derek Forsey

Max Bursey

In 1988 the vacant position of Executive Director, Compensation Services, was filled with the appointment of Mr. Norman Kennedy, formerly of the staff of St. Clare's Hospital. Mr. Derek Forsey, formerly Director, Financial Services, was appointed Executive Director, Corporate Services, replacing the previous incumbent who resigned. Mr. Max Bursey continues to fill the position of Executive Director, Policy and Special Services.

INTRODUCTION

The Annual Report of the Workers' Compensation Commission presents a review of activity for the year ending 1988 12 31.

The Workers' Compensation Act/Regulations 1983-1984 governs the operation of a no-fault work injury insurance program for the workers and employers of the province. This program provides to the worker guaranteed wage loss protection; payment of medical costs associated with work injury and disease; rehabilitation; and protection from suit to the employer.

The enclosed material provides information on the operation of this program. For further information on any aspect of this program, please contact:

WORKERS' COMPENSATION COMMISSION
OF NEWFOUNDLAND AND LABRADOR
146-148 FOREST ROAD
P.O. BOX 9000, STN. "B"
ST. JOHN'S, NEWFOUNDLAND
A1A 3B8

SUMMARY 1988

ED MAYNARD
Chief Executive Officer

In 1988 the Commission continued to consolidate and refine its management procedures, and to streamline its operational structures. This was an extension of the process begun in early 1987 when a new corporate Board was appointed and the review and appeals system was restructured.

Additional recommendations of the 1986 Touche Ross Report were implemented during the year. The Commission also adopted the remaining recommendations made by the 1987 Institute of Social Economic Research (ISER) Report.

In mid-1988 the report of the statutory Review Committee, established in 1986, was released. It was the subject of some criticism and debate and it led to some sharp news media-Commission controversy.

The Commission responded to a number of the Report's recommendations and has made the usual submission with commentary on each recommendation to Cabinet for consideration.

There were a number of significant staff changes during 1988. At the Executive level, the vacant position of Executive Director, Compensation Services, was filled by the appointment of Norman Kennedy. The former Executive Director, Corporate Services, resigned and this post was filled by Derek Forsey who had been Director, Financial Services. Mr. Forsey's old position was filled through competition and Eric Bartlett was the successful candidate.

The Commission's legal counsel resigned in 1988, but continued to work on the documentation which must be submitted to the Supreme Court of Canada for its hearing of a challenge by a Newfoundland claimant that the Workers' Compensation Act is contrary to the Canadian Charter of Rights and Freedoms. This case will probably be heard during mid-1989.

In 1988, the Board reviewed the need for additional operational space and a number of changes to provide office and equipment space were made. Extra space is also being provided at the Commission's two regional offices.

To meet projected future needs, the Commission will be submitting a request to Cabinet for approval to renovate the first level of the St. John's Headquarters building to provide additional working areas.

During the year, the Board held regular monthly meetings, and a number of special and committee meetings, to formulate policy and planning. Also, the Commission's operational needs were reviewed regularly through Executive Committee and senior Management Committee meetings.

The Commission had a busy year with many positive achievements. A significant growth in activities towards both employers and workers has meant a correspondingly heavier workload on staff. The fact that we have been able to meet our obligations is due to extra effort and dedication by people at headquarters and regional offices, and staff are to be commended for doing a consistently good job.

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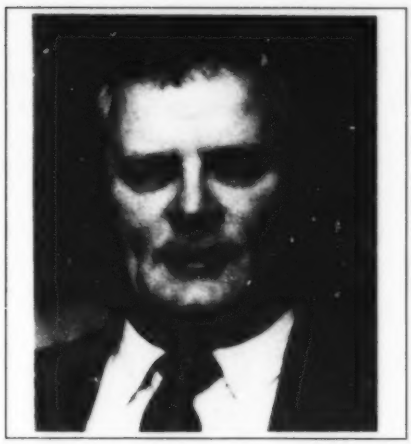
- APPEALS

FINANCIAL STATEMENTS AND NOTES

STATISTICS

CLAIMS DEPARTMENT



JOHN BAMBRICK
Director

The Claims Department is responsible for processing all claims submitted to the Commission. This includes gathering all information and documents required to determine a worker's entitlement; and includes processing of benefits where entitlement is established. Thus, the receipt of information on a timely basis is critical to efficient operations and payment of benefits to an injured worker. The cooperation of employers and physicians in submitting prompt reports to the Commission is essential.

Benefits processed by the Claims Department include:

- Temporary Earnings Loss while a worker is recovering from the effects of an on-the-job injury or disease.
- Dependancy benefits to the spouse and/or children where the injury or disease causes death.
- Permanent Functional Impairment Awards for disfigurement and loss of body function based on the physical disability, and paid in a lump sum.
- Medical Aid benefits such as doctor's fees, prescribed drugs, hospital costs, travel expenses in seeking medical treatment (where such travel exceeds normal daily travel to and from work), physiotherapy, prosthesis and others.

Total number of claims reported for 1988 injuries is 20,124. Of these, the Commission accepted 18,782 claims broken down as follows:

Temporary Earnings Loss	9967
Medical	8796
Fatal	19

Fatal injuries resulted from the following:

Drowning - Fishing	10
Electrocution	1
Struck by objects/material	3
Machinery	2
Motor Vehicle	2
Plane	1

Claims disallowed were as follows:

Earnings Loss	751
Medical Aid	590
Fatal	1

Five deaths occurred in 1988 resulting from prior year industrial disease causes.

In the past year the Claims Adjudication Branch concentrated their efforts on providing prompt payments of wage loss benefits to injured workers. Procedures were implemented to ensure immediate payment of all claims which were referred to the Claims adjudication section on a daily basis. Any delays in processing resulted from additional information being required to determine a worker's entitlement to benefits.

The Claims Department has been making a special effort to work closely with the Rehabilitation Department to discuss the concerns of the injured workers to provide an improved level of service to the claimants.

The important role an employer can play in assisting workers in their return to employment was emphasized in 1988. Communications with the employers was stepped up. Many of the adjudicators have been designated as contact persons to be available to employers and to visit employer sites to discuss a worker's capability to return to some form of employment. This is in the interest of the worker, the employer, and the Commission.

One of the major undertakings in the Claims Department in 1988 was the start of the conversion of the monthly permanent disability payment claims to the new wage loss system. The whole conversion process is expected to take another two to three years to complete.

A number of the adjudicators have been assigned to the conversion task. The project requires a complete review of all pre-1984 claims for permanent disability. Approximately 1500 claims

need to be reviewed. This review requires a determination as to whether a worker is entitled to:

(a) a "top up" of the current pension, e.g., payment for an extended earnings loss;
(b) a lump sum of life pensions;
(c) any change to the present permanent disability status.

It is important to note that dependency benefits resulting from fatal injuries/disease will not be affected by the conversion process.

In 1988 there was a tremendous demand placed on staff responsible for payment of accounts for medical and other services provided to injured workers. The increase in services traditionally provided, as well as the provision of additional services, resulted in an ever increasing number of accounts being submitted to the Commission.

To appropriately deal with a problem being experienced in trying to effectively process accounts for health care services, in 1989 we will be placing more emphasis on computer systems development to provide prompt payment of billings.

REHABILITATION DEPARTMENT

DON MYRON
Director

The role of the Rehabilitation Department of the Workers' Compensation Commission is to return to gainful employment those workers who, because of a work injury, are left with a permanent disability which prevents them from returning to their regular work.

The Department has given priority to the recommendations contained in the Institute of Social Economic Research (ISER) report of March 1987.

The Counselling staff has increased from five to nine, reducing the individual caseloads from 120 to 70. This enables the department to provide prompt individualized service to injured workers requiring employment assistance. It has also reduced the cost of providing interim benefits to such workers who previously had to wait for counselling services.

The Board, as of July 1988, has approved a new "statement of principles" and series of policies and procedures for the Commission's Rehabilitation programs which provides uniform, consistent delivery of service.

The Department reports a significant improvement in personal contact between counsellors and workers and employers, with increased field work activity.

Insofar as employment assistance must of its nature require a job search/career seeking component, the department provides a six week structured program to assist workers return to work, identify goals, investigate career options, and explore employment and training opportunities.

During 1988 the Department did an analysis of 182 Job Search programs. Contrary to a misconception that job searching is a useless, ineffective program, 90 of these programs resulted in employment or are in a training program. Sixty-eight others are closed as having received sufficient employment and/or training assistance and 24 are either still on the job search program or back under medical treatment.

A concentrated effort was made by the department this year to give workers sufficient opportunity to return to their usual work environment, rather than too quickly deciding on completely new careers involving long term academic upgrading, formal and on-the-job training, relocation of homes and uncertain employment opportunities after training.

In 1988 the Department did an analysis of 186 such programs. Ninety returned to employment or are in a modified training program. Forty-four received sufficient employment or training assistance, and 52 are either still in the program or have gone back on medical treatment.

The Department spent 4.3 million dollars in 1988 for rehabilitation allowances, travel, board and tuition fees to assist injured workers through employment and training programs.

There were 1,235 vocational programs sponsored throughout the year. These programs can vary in nature, cost and length from a short job search to a four year university course.

In 1988 there were 1,224 injured workers involved with the Department. Some were in training programs and some were helped to ease back to their previous employment.

Others were involved with a job search program. Other workers were counselled by the Department in preparation for a return to work strategy but are not yet able to return. In some cases the result of Rehabilitation Counselling and evaluation was that the workers could not realistically return to employment and were referred to the Extended Earnings Loss Division. As of December 31, 1988 there were 89 workers' files referred to the Department where appropriate rehabilitation evaluation counselling had

not started.

The Department closed 718 cases in 1988. Closures vary from those who returned to work, to those who have completed a program which afforded them with training to return to work, to those who decided to retire from the work force, and those who choose not to engage in any employment or training program.

Extended Earnings Loss Division

The Extended Earnings Loss Division's purpose is to decide if an injured worker, who has received medical treatment and rehabilitation services, is eligible for extended earnings loss benefits. It is the final level of benefit services for injured workers. The caseload increased rapidly in 1988. There were 317 cases referred to the division and 52 are pending. To avoid backlogs and delays in resolving workers claims for extended benefits, staffing needs will be addressed in 1989.

The division also manages the Commission's annuity program. The annuity replaces an injured worker's loss of pension contribution because of his/her absence from the work force due to a severe injury and lengthy convalescence. There were 73 claims approved for the annuity program in 1988.

MEDICAL SERVICES DEPARTMENT

DR. GRAHAM COOK
Director

The department provides medical advice to the decision making departments of the Commission to assist in the prompt and efficient adjudication of claims. The medical care that claimants receive is monitored by the department's physicians. Permanent functional impairment (PFI) assessments are done if an injury has left the worker with any residual physical or psychological limitation.

In 1988, the other departments of the Commission made ever increasing demands on the medical staff. More claims were reviewed, more claimants examined and more PFI's awarded, without any increase in staff.

The department continues to monitor the efficiency of the present programs which are in place. They are designed to prevent delays in claimants receiving the care they need. In addition, new avenues are sought to supplement the present programs.

A consultant study of the Miller Centre Program was underaken to assess the program's results. It will assist in the decision on the need for, and the kind of improvements necessary. The results of this study will be available early in 1989. An in-house study is now assessing the results of the Lifestyles Program at the Aquarena.

Negotiations continue with St. Clare's to provide financial assistance to purchase a CT scan. These have been rather prolonged, but it would appear the scan will be in place in the late summer of 1989. Consideration is being given to establishing a multidisciplinary assessment program in an acute care hospital.

Similarly, we have continuing ongoing communication with other major hospitals throughout the province, especially James Paton and Western Memorial, looking at whether we can avail of their services in a more expeditious manner. The Health Sciences Centres' CT scan has had a long waiting list, at an increased cost of travel and inconvenience to our claimants. The CT scan in St. Anthony has provided us more efficient access to this necessary investigative tool.

Over the past few years, the effects of physical injury have, by definition, broadened. Acute psychological effects associated with a physical injury are now considered compensable and claimants are provided with appropriate care. Similarly, chronic effects, such as chronic pain, have to be addressed. Establishment of a chronic pain clinic is essential.

At present, the department must avail of chronic pain clinics on the mainland. There are significant delays in getting this care because of the intense, time-consuming efforts that this condition requires. We would like to thank the New Brunswick Board for their cooperation in providing our claimants with access to their chronic pain unit.

Within the Commission, the cooperation of Claims, Rehabilitation and Medical Departments is of the utmost importance for the efficient adjudication of claims. Emphasis is increasing on the need for the cooperation of employers, unions, treating physicians and the Commission to more effectively assist injured workers back into the work force. The Department of Medical Services plays a vital role in this teamwork approach.

FINANCIAL SERVICES DEPARTMENT

ERIC BARTLETT
Director

The Financial Services Department is responsible for the registration, classification and assessment of employers as well as ensuring the Injury Fund is properly financed, administered and accounted for.

Finance

In 1988 the Commission selected external fund managers to manage its long term investment portfolio. The actual transfer of Commission funds to the fund managers occurred June 1.

The overall investment objective is to earn the highest return consistent with an acceptable level of risk tolerance.

The asset mix is 80% bonds and 20% stocks. To achieve the overall investment objective, an investment committee was formed to oversee investment performance. External investment professionals have been engaged by the committee to lend advice on and monitor performance of the investment portfolio.

Short term investments, to meet the Commission's day to day cash requirements, are managed internally. During 1988 a yield of 10.0% was earned on the book value of the total investment portfolio — 12.3% in 1987.

Accounting

Banking services were tendered during the year. The Royal Bank of Canada was the successful bidder. This marked the first time the Commission has gone to public tendering for banking services.

During 1988, the Accounting Division initiated development of a budgeting system for program benefit expenditures. It's expected that this system will be developed and implemented by late 1989. The aim of the system is twofold: to aid Commission management in the decision making process by providing timely reports and information; and, to enable the Commission to provide employers with more detailed and timely explanations of injury expenditures.

Assessments

The Assessment Division is responsible for registration and classification of employers, audit of employer payrolls, collections, rate setting, experience rating and financial planning.

Collection of accounts continued as a major priority during 1988. Assessment revenues (net of the provision for unbilled assessments) increased by 27.4%. Assessment accounts receivable (net of the provision for unbilled assessments) expressed as a percentage of assessments decreased to 6.8% as compared to 7.3% in 1987. Cash inflow showed a consistent $10 - $12 million improvement throughout the year over 1987.

At the end of 1988 there were 10,992 active employer accounts. The number of employer payroll audits completed was 2,426 compared to 2,042 in 1987. A more systematic approach to payroll audits has been developed for 1989 and further improvements are expected.

An experience rating program was developed in 1988 and approved for implementation in 1989 in nursing homes and hospitals. The program was introduced in 1988 on a pilot basis in the hospital, road construction and fish processing sectors.

Employers in the road construction and fish processing sectors will continue on a pilot basis for 1989. A decision on whether experience rating will be introduced in 1990 is dependent on further testing, analysis and discussion with those employers concerned. Expanding the system to include other employer groups will be also reviewed in 1989.

In 1988, the Commission continued with its rate setting philosophy which provides for greater collective liability

FINANCIAL SERVICES DEPARTMENT

among employers. Employers were notified of 1988 assessments rates in mid-November 1987. It is the intention of the Commission to set and publish rates no later than November of each year so that employers may budget for the coming calendar year.

Financial Statements

The 1988 financial statements have been significantly altered from the format presented in previous years. This has been done to improve readability. Much of the information previously provided in financial statements is now presented as notes or in schedules accompanying the audited financial statements.

Results of Operations and Review of Financial Position

The Comission's assets increased to $100.0 million, liabilities to $110.7 million and the unfunded liability decreased by $1.1 million. The Commission was 90.3% funded at the end of the year, compared to 88.0% in 1987.

Despite the significant increase in revenues in 1988, the operating deficit increased. Total expenditures in 1988 of $68.7 million, plus appropriations of $4.6 million to reserve funds, exceeded total revenues of $71.7 million by $1.6 million. This $1.6 million added to the 1987 operating deficit of $24.3 million resulted in an operating deficit of $25.9 million at the end of the year.

Of the total $68.7 million in expenditures, $60.2 million was for claims and dependancy awards. This is an increase of 21.0% over the $49.7 million recorded for 1987. The actual cash outlay for claims and dependancy awards in 1988 was $50.2 million.

A comparison of 1988 and 1987 claims and dependancy awards, by program, is shown below together with 1988 cash payments.

PROGRAM	Claims and Dependency Awards 1988	1987	% Increase (Decrease)	Claims and Dependancy Cash Payments 1988
		($Thousands)		
Temporary Earnings				
Loss	$26,060	$21,813	19.5%	$22,425
Medical Aid	14,037	11,064	26.9%	11,373
Rehabilitation	4,298	6,314	(31.9)%	4,346
Extended Earnings				
Loss	5,181	3,489	48.5%	1,066
Annuity	562	395	42.3%	12
Lump Sum	3,217	1,200	168.1%	3,020
Dependancy benefits and payments to permanently disabled workers	6,848	5,461	25.4%	7,926
	$60,203	$49,736	21.0%	$50,168

INFORMATION SYSTEMS DEPARTMENT

MERVIN ANDREWS
Director

The Information Systems Department is responsible for providing computing, word processing, and consulting services to the various departments within the Commission. In addition, the department provides computing services and work injury data to the Occupational Health and Safety Division of the Department of Labour and Manpower.

All processing in 1988 was performed on the inhouse IBM System/38.

To keep up with the high volume of processing, the following equipment changes were made:

- One of the three AES Word Processing CPU (Central Processing Unit) units was upgraded;
- A fourth AES Word Processing CPU Unit was installed;
- New disk pack was installed capable of storing 400 mega bytes of data;
- Three PC's (Personal Computers) and one PC printer were added;
- Fourteen computer terminals were added.

With the additional equipment, the IBM System/38 now supports a total of 100 devices including terminals, printers, and PC's. In addition, the AES Word Processing configuration supports 32 devices.

Also, a new concept known as "Desk Top Publishing" was implemented within the department for use throughout the Commission. The system is intended to be used to create documents such as: newsletter(s), annual report, WCC pamphlets and brochures, forms design, graphs and scanned images.

In May 1988, the Information Systems Department was restructured whereby Systems Development and Production Support were divided into two divisions with a manager heading each division. The two divisions are: Systems Development & Research and Production Support & Operations.

Due to the increased workload, four permanent positions were added, making the staff complement 12. A junior programmer was contracted to work within the Production Support and Operations Section, however, all systems development and enhancements were handled by permanent staff members.

ADMINISTRATION DEPARTMENT

JIM CASEY
Director

The Administration Department is responsible for controlling all administrative functions of the Commission's head office and branch offices. This includes efficient and cost effective purchase of goods and services and a payroll and employee benefit package for a staff of 140. Most important is the responsibility for efficiency in building maintenance, technical operations and property control.

There were many changes within the Administration Department in 1988.

On July 25, 1988, James T. Casey was appointed to the position of Director of Administration, the Commissions' first incumbent in the position. This appointment brought with it a restructure of the Department, including a takeover of the Micrographics Unit with a staff of four.

This past year a computerized fixed assets inventory was developed. Major renovations have taken place in the head office to accommodate the additional 15 permanent staff members hired in 1988.

Plans are being made for renovations to the Corner Brook and Grand Falls offices in 1989, made necessary due to an increase in staff in each location.

Personnel—In the past year the Personnel Office has seen much activity in the areas of training and development and human resource management.

The Commission's staff training and development program has been a challenging venture because it is a new facet of Personnel's activities. As with all new programs, it has undergone the initial phase of assessment of staff training and development needs. The results identified specific training requirements. The following programs were designed to accommodate this:

- Guest lectures (professionals from Memorial University, for example) focused on topics such as "Stress in the Workplace", "Health and Safety of Fishermen and Plant Workers", "Heart and Hypertension Problems", and "Hospital Care";
- Internal information sessions provided all staff with detailed information on the purpose and functions of each Department;
- A new employee orientation session was administered to all employees who began employment with the Commission since January, 1988;
- An interpretation of the WCC Act was the focus of a seminar attended by a number of interested staff;
- A lecture series entitled "The Law and You" concentrated on the relationship between WCC staff and the law making process;
- An Adjudication training manual was designed early in the year and has since been used in the training program for all adjudicators.

In addition, staff continued to receive direction and support in career and educational endeavors. Approximately 30% of staff participated in formal training. Four employees also received certificates of recognition for successfully completing post-secondary academic programs with the assistance of the Commission.

More than 50% of staff participated in informal training programs related to personal and professional development.

In the area of recruitment and selection, the Personnel Office was kept very busy. Thirty-one new employees joined the Commission in 1988. Of those, 15 had permanent status. Many temporary assignments and promotional opportunities continued to offer advancement to management and bargaining unit staff.

The permanent staff complement at year end was 140.

APPEALS

Decisions made within the line departments at the Commission are subject to an internal, as well as an external, review process.

After an initial decision has been made by an adjudicator, rehabilitation counsellor, or financial services officer, a dissatisfied party may seek internal review. The matter is then referred back to the affected department which, upon review, must establish its final decision.

If this decision of the department is unacceptable then the party is entitled to a hearing before a Hearings Officer. This is the final stage of the internal review process; the Hearings Officer's written decision represents the final decision of the Commission.

External review, by the Workers' Compensation Appeal Tribunal, is available for persons who are not satisfied with the final decision of the Commission. The Appeal Tribunal is totally independent of the Commission and their decisions are final.

In 1988 there were 346 requests for internal review. (It is interesting to note that in 1986 and 1987 there were 190 and 249 such requests, respectively.) Sixty-three of these requests for review resulted in an immediate change of decision. Another 87 final departmental decisions were rendered but not appealed, although some of this number will likely exercise their right to a hearing in 1989. At year end there were 40-45 reviews ongoing in the departments.

The Hearings Officers conducted 141 hearings in 1988. Although there is only one full-time Hearings Officer, a second was appointed for a brief period in the last half of the year to assist with a small backlog of cases. The Hearings Officers overturned or modified 40% of the decisions put before them.

On average it took four weeks between the initial request for review and the final departmental decision. It took an additional four weeks (on average) before dissatisfied parties officially requested a hearing. Once requested, hearing dates were usually available 4-5 weeks later, although postponements and other factors beyond the control of the Commission resulted in an overall average of eight weeks before hearings were held. The average time between the hearing and the Hearings Officer's decision was 3.5 weeks.

A computerized decision reference system was completed in 1988. This system allows decision makers to quickly locate previous decisions on various topics. It will facilitate some decision making and promote consistency and high quality decisions at all levels. In future it will be a useful resource for policy studies and training purposes.

FINANCIAL STATEMENTS AND NOTES

COMMENTARY ON FINANCIAL STATEMENTS/FUNDING POLICY

AUDITORS' REPORT

BALANCE SHEET

STATEMENT OF REVENUE, EXPENDITURE AND OPERATING DEFICIT

STATEMENT OF LIABILITY FOR OUTSTANDING CLAIMS

STATEMENT OF RESERVE FUNDS

STATEMENT OF CHANGES IN FINANCIAL POSITION

NOTES TO FINANCIAL STATEMENTS

SCHEDULE OF ADMINISTRATIVE EXPENSES

SCHEDULE OF REVENUE, EXPENDITURE AND OPERATING DEFICIT BY CLASSES

Commentary on Financial Statements/Funding Policy

The Commentary is provided to assist the reader in understanding the content and significance of the financial statements and accompanying notes.

Statement 1
BALANCE SHEET

The balance sheet gives the Commission's financial position at December 31, 1988. Assets refer to resources and property owned by the Commission, or owed to the Commission by others. They include cash and investments, land, building and equipment plus various accounts receivable.

Liabilities include accounts payable and actuarial estimates of amounts to be paid in future years for 1988 and prior years' injuries.

The reserve funds are amounts appropriated to fund the cost of specific expenditures and the operating deficit is the accumulated excess of costs over revenue. Unfunded liability refers to the amount total liabilities exceed total assets.

Statement 2
REVENUE, EXPENDITURE AND OPERATING DEFICIT

The income statement summarizes the Commission's operating activity for the year. Income consists of assessment revenue from employers, self insurers and interest earned on both short and long term investments.

Expenditures represent cost incurred for injured workers and dependents of fatally injured workers plus Administration, Occupational Health and Safety and Appeals Tribunal.

Appropriation to reserves shows the amount set aside to fund reserves established for specific purposes.

The excess or deficiency of revenue over expenditures and appropriations to reserve funds is added to, or deducted from the operating deficit.

Statement 3
LIABILITY FOR OUTSTANDING CLAIMS

The estimated liability for future costs of existing claims is the acturial **estimated** amount required to meet future payments in respect of 1988 and prior years' injuries for temporary earnings loss, medical aid, rehabilitation, lump sums and dependancy benefits.

The liability for dependancy benefits and payments to permanently disabled workers is to set aside amounts to provide for future payments on **established** awards to dependents and permanently disabled workers.

The liability for extended earnings loss is the amount set aside to provide for future payments to age 65 on **established** extended earnings loss awards.

The liability for annuity payments is to set aside amounts to provide for **established** annuities to workers at age 65.

Statement 4
RESERVE FUNDS

The statement of reserve funds shows amounts for the various reserves that have been established for specific purposes. The closing balance represents the funds available to provide for future payments from these reserves.

Statement 5
CHANGES IN FINANCIAL POSITION

This statement sets out all the sources of funds and the uses to which those funds were put during the year. The statement shows the net change in cash and cash equivalents (short-term investments) for 1988 from operating and investing activities.

Schedule 1
ADMINISTRATIVE EXPENSES

This schedule outlines the major types of administrative expenses on a comparative basis — rental income and administrative fees charged to self-insurers are deducted from overall administrative costs.

Schedule 2
REVENUE, EXPENDITURE AND OPERATING DEFICIT BY CLASSES

This schedule gives a breakdown of revenue, expenditure and operating deficit by the various classes of industry within the Province.

FUNDING RESERVES & LIABILITIES

Pursuant to Sections 85 and 104 of the Workers' Compensation Act, 1983, the Commission has developed a policy statement on aims and objectives regarding funding of reserves and funding of current and long term liabilities.

POLICY STATEMENT

The Commission's objective is to be in a fully funded position at the end of each calendar year — total assets to equal or exceed total liabilities.

At the end of each calendar year, the Commission's total assets consisting of:

(a) cash;
(b) temporary investments at cost;
(c) receivables (net of allowance for doubtful accounts);
(d) current book value of long-term investments; and
(e) depreciated value of fixed assets;

are compared to total liabilities and reserves consisting of:

(a) current liabilities;
(b) estimated liability for the future cost of existing claims;
(c) liability for dependancy benefits and payments to permanently disabled workers;
(d) liability for extended earnings loss;
(e) liability for annuity payments;
(f) recapitalization reserve;
(g) disaster reserve
(h) enhanced disabilities reserve
(i) occupational health and safety reserve.

All liabilities in (a), (b), (c), (d) and (e) are calculated on current dollar values. It's the Commission's philosophy that if the Commission ceased operation at that point, additional liabilities would not be accrued.

AUDITORS' REPORT

To the Board of Directors of the
Workers' Compensation Commission of
Newfoundland and Labrador

We have examined the balance sheet of The Workers' Compensation Commission of Newfoundland and Labrador as at December 31, 1988 and the statements of revenue, expenditure and operating deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, except for the effect of changes, if any, in the liability for outstanding claims as referred to in Note 9, these financial statements present fairly the financial position of the Commission as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, except for the changes as detailed in Note 1, on a basis consistent with that of the preceding year.

St. John's, Newfoundland
March 3, 1989

Doane Raymond
Chartered Accountants

STATEMENT 1

BALANCE SHEET

DECEMBER 31, 1988

ASSETS

	1988	1987
Cash and short term investments	$13,894,096	$ 3,799,370
Receivables (Note 3)	8,595,296	7,047,403
Investments, at book value (Note 4)	72,642,350	70,865,914
Land, building, furniture and equipment (Note 5)	4,855,004	5,041,493
	$99,986,746	$86,754,180

LIABILITIES, RESERVES AND OPERATING DEFICIT

Payables and accruals	$ 1,305,894	$ 982,880
Liability for outstanding claims (Statement 3)	109,393,993	97,634,028
	110,699,887	98,616,908
Reserve funds (Statement 4)	15,151,178	12,391,091
Operating deficit	(25,864,319)	(24,253,819)
Unfunded liability	(10,713,141)	(11,862,728)
	$ 99,986,746	$86,754,180

ON BEHALF OF THE COMMISSION

Chief Executive Officer

Secretary to the Board

STATEMENT 2

REVENUE, EXPENDITURE AND OPERATING DEFICIT

YEAR ENDED DECEMBER 31, 1988

	1988	1987
Revenue		
Assessments	$61,287,774	$ 47,766,090
Self-insurers	2,863,337	2,305,881
Investment income	7,515,400	7,962,622
	71,666,511	58,034,593
Expenditure		
Claims and dependancy awards (Note 6)	60,203,193	49,736,347
Occupational health and safety	2,132,641	1,917,360
Administrative	6,157,845	5,177,479
Appeals tribunal	188,807	50,646
	68,682,486	56,881,832
Excess of revenue over expenditure	2,984,025	1,152,761
Appropriation to reserve funds	(4,594,525)	(4,919,397)
	(1,610,500)	(3,766,636)
Operating deficit, beginning of year, as restated (Note 7)	(24,253,819)	(20,487,183)
Operating deficit, end of year	$(25,864,319)	$(24,253,819)

STATEMENT 3

LIABILITY FOR OUTSTANDING CLAIMS

YEAR ENDED DECEMBER 31, 1988

	Estimated Liability For Future Costs of Existing Claims	Liability for Dependancy Benefits and Payments to Permanently Disabled Workers	Liability for Extended Earnings Loss	Liability for Annuity Payments	Total
Balance, beginning of year	$42,746,721	$ 51,007,213	$ 3,318,617	$ 561,477	$ 97,634,028
Additions:					
Transfers in	30,511,364	3,521,249	4,395,603	470,959	38,899,175
Investment income allocated		4,677,180	477,593	103,405	5,258,178
	30,511,364	8,198,429	4,873,196	574,364	44,157,353
Deductions:					
Benefits paid or charged with respect to claims	23,655,283	7,926,357	803,601	12,147	32,397,388
	$49,602,802	$ 51,279,285	$ 7,388,212	$ 1,123,694	$109,393,993

STATEMENT 4

RESERVE FUNDS

YEAR ENDED DECEMBER 31, 1988

	Disaster Reserve	Enhanced Disabilities Reserve	Recapitalization Reserve	Occupational Health and Safety Reserve	Total
Balance, beginning of year	$ 8,976,355	$ 825,951	$ 907,684	$ 1,681,101	$12,391,091
Additions:					
Appropriations	1,467,733	606,132	1,157,406	1,363,254	4,594,525
Deductions:					
Benefits charged with respect to claims	444,088	532,491	857,859		1,834,438
	$10,000,000	$ 899,592	$ 1,207,231	$ 3,044,355	$15,151,178

STATEMENT 5
CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1988

	1988	1987
Cash provided from (used for)		
Operating activities (Note 8)	$ 17,070,142	$16,225,054
Investing activities		
Proceeds from sale and maturity of investments	195,825,427	37,106,821
Purchase of		
Investments	(197,845,415)	(54,407,429)
Building additions	(181,409)	(252,145)
Furniture and equipment	(179,494)	(113,587)
	(2,380,891)	(17,666,340)
Appropriation to reserve funds	(4,594,525)	(4,919,397)
Net cash provided (used)	10,094,726	(6,360,683)
Cash and short term investments, beginning of year	3,799,370	10,160,053
Cash and short term investments, end of year	$ 13,894,096	$ 3,799,370

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1988

1. Change in accounting policies

i) With effect from January 1, 1988 the Commission retroactively adopted the policy of recording a provision for unbilled assessments to provide for revised assessments based on the average difference of actual to estimated payrolls for the three years prior to the current year. Previously no provision had been made in the financial statements. This change has increased the excess of revenue over expenditure for 1988 by $852,378.

ii) With effect from January 1, 1988 the Commission prospectively adopted the policy of deferring all gains or losses on the sale or exchange of investments and amortizing the amounts to investment income over ten years. Previously gains or losses on exchange of investments were deferred and deducted or added to the cost of the new investments. This change has had no material effect on the excess of revenue over expenditure for 1988.

2. Accounting policies

Assessment revenue

i) At the beginning of each year, an assessment is levied on employers by applying industry assessment rates to their estimated payrolls. At year end, this assessment revenue is adjusted based on the average difference of actual to estimated payrolls for the three years prior to the current year.

ii) Uncollectable assessment balances are charged against assessments revenue.

Investments

i) A gain or loss on the sale or exchange of investments is deferred and amortized to investment income over ten years. In cases where it is felt that a permanent impairment in the book value has occurred, the investment is written down to current market value and the write-down amortized to investment income over ten years.

ii) Investment income is allocated to the liability for dependancy benefits and payments to permanently disabled workers and to the liability for extended earnings loss on the basis of 9.5% and allocated to the liability for annuity payments on the basis of the actual yield (10.0%) earned on the Commission's investment portfolio. The remaining balance is prorated to the classes.

Depreciation

Depreciation of fixed assets is recorded on the straight-line method at the rates indicated below.

Building	2½%
Furniture and equipment	10%; 20%

Pension Costs

All permanent employees of the Commission are covered by the Public Service Superannuation Plan administered by the Province of Newfoundland. Contributions to the plan are required from both the employees and the Commission. The annual contributions for pensions are recognized in the accounts on a current basis.

Estimated liability for future costs of existing claims

This liability represents the estimated amount required to meet future payments in respect of 1988 and prior years' injuries. The estimated liability has been calculated using actuarial factors based on actual payments to workers in prior years, including experience to September, 1986, and is to be reviewed every two years.

Liability for dependancy benefits and payments to permanently disabled workers

The purpose of this liability is to set aside amounts to provide for the future payments on established awards to dependants and permanently disabled workers.

The capitalization of the awards and the resulting calculation of the liability is determined on an actuarial basis, to be reviewed every two years.

The latest actuarial report was prepared on the basis of financial information available to December 31, 1985.

Liability for extended earnings loss

The purpose of this liability is to set aside amounts to provide for the future payments on established extended earnings loss awards.

The capitalization of the awards and the resulting calculation of the liability is determined on an actuarial basis, to be reviewed every two years.

Liability for annuity payments

This liability represents the amount set aside to provide for established annuities to workers at age 65.

Appropriation to reserve funds

i) Appropriation reserves for disaster and enhanced disabilities are calculated as a percentage of annual assessment revenue as follows:

Disaster	5%
Enhanced disabilities	1%

The disaster reserve is limited to a maximum of ten million dollars.

ii) The Commission has established a recapitalization reserve sufficient in amount to cover the cost of the subsequent year's statutory increase.

An adjustment of $1,157,406 was made in 1988 to increase the reserve to the amount required to fund the 1989 statutory increase.

iii) An amendment to the Regulations of the Occupational Health and Safety Act in 1986 provides for the funding, by the Commission, of special projects and studies relating to the enhancement of occupational health and safety in the work place.

Under the terms of the Regulations, the Commission is required to set aside a reserve to a maximum of five million dollars. Annual transfers to this reserve are calculated as 2% of annual assessment and investment income. Special projects to be charged to this reserve must receive prior approval of the Lieutenant-Governor in Council.

An adjustment of $1,363,254 was made in 1988 to increase the reserve to the amount required under these Regulations.

3. Receivables

	1988	1987
Assessments (less allowance for doubtful accounts $2,172,613; 1987 - $2,068,269)	$ 4,137,782	$ 3,440,114
Provision for unbilled assessments	2,910,980	2,058,602
Interest	1,251,493	1,523,780
Self-insurers	229,916	
Other	65,125	24,907
	$ 8,595,296	$ 7,047,403

Estimated assessments for 1988 will be revised in 1989 on the basis of actual payroll returns filed by employers. A provision for unbilled assessments has been made to reflect these anticipated revisions.

4. Investments, at book value

	1988	1987
Bonds and debentures	$ 53,278,593	$ 70,865,914
Equities	17,171,789	
Unamortized portion of losses on sale or exchange of investments	2,191,968	
	$ 72,642,350	$ 70,865,914
Market value		
Bond and debentures	$ 51,102,202	$ 67,220,675
Equities	16,907,333	
	$ 68,009,535	$ 67,220,675

5. Land, building, furniture and equipment

	1988			1987
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 10,830		$ 10,830	$ 10,830
Building	5,385,689	$ 1,122,508	4,263,181	4,216,414
Furniture and equipment	2,343,140	1,762,147	580,993	814,249
	$ 7,739,659	$ 2,884,655	$ 4,855,004	$ 5,041,493

6. Claims and dependancy awards

The claims and dependancy awards expenditure include:

	1988	1987
Benefits paid or charged	$48,443,228	$39,912,676
Increase in liability for future payments	$11,759,965	$ 9,823,671
	$ 60,203,193	$ 49,736,347

7. Adjustment of prior years

A change in the Commission's accounting policy to record a provision for unbilled assessments has resulted in the operating deficit at January 1, 1988 being decreased by $2,058,602. Of this amount, $330,264 is applicable to 1987 and has been added to assessment revenue and excess of revenue over expenditure for that year. The remaining amount of $1,728,338 is applicable to years prior to January 1, 1987 and the balance of the operating deficit at that date has been adjusted accordingly.

8. Cash from operating activities

	1988	1987
Cash provided from (used for)		
Excess of revenue over expenditure	$ 2,984,025	$ 1,152,761
Depreciation	547,392	510,252
Amortization of losses on investments	243,552	
Amortization of premiums on investments		39,342
Gain on sale of investments		(558,296)
	3,774,969	1,144,059
Changes in		
Receivables	(1,547,893)	2,403,002
Payables and accruals	323,014	36,055
Liability for outstanding claims	11,759,965	9,823,671
Reserve funds	2,760,087	2,818,267
	$ 17,070,142	$ 16,225,054

9. Other matter

Amendments to the Workers' Compensation Act and Regulations effective January 1, 1984 have resulted in significant changes in the nature and amount of payments to injured workers. Sufficient experience is not yet available to estimate the effect of these changes, if any, on the liability for outstanding claims.

10. Comparative figures

Certain of the 1987 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1988.

SCHEDULE 1

ADMINISTRATIVE EXPENSES

YEAR ENDED DECEMBER 31, 1988

	1988	1987
Salaries and benefits	$ 4,593,854	$ 3,685,556
Telephone, postage and general office	645,980	512,734
Depreciation	547,392	510,252
Building operations and maintenance	290,021	343,651
Professional services	266,270	221,111
Travel	178,881	145,847
Printing and supplies	151,851	112,341
Vehicle operating	111,293	84,305
Computer services	102,348	93,965
Review committee	43,453	265,274
Directors fees	29,544	30,600
Miscellaneous	29,389	24,766
Equipment	16,648	10,466
	7,006,924	6,040,868
Deduct:		
Rental income	299,248	386,238
	6,707,676	5,654,630
Administrative expenses charged to self-insurers as follows:		
Government of Newfoundland and Labrador	305,766	253,701
Government of Canada	108,793	105,207
Terra Transport (CNR)	61,769	54,123
Marine Atlantic	47,273	40,676
Newfoundland Dockyard	19,607	18,536
Memorial University of Newfoundland	6,598	4,905
Quebec North Shore and Labrador Railway	25	3
	549,831	477,151
	$ 6,157,845	$ 5,177,479

SCHEDULE 2

REVENUE, EXPENDITURE AND OPERATING DEFICIT BY CLASSES

YEAR ENDED DECEMBER 31, 1988

	1988 Totals	Class 1 Mining	Class 2 Forest Products	Class 3 Manufacturing	Class 4 Construction	Class 5 Transportation	Class 6 Service Industries	Class 7 Fishing	Class 9 Self Insurers	Transferred to Liability Accounts
Revenue										
Assessments	$ 61,287,774	$ 3,948,798	$ 3,008,852	$ 4,811,564	$ 10,168,405	$ 3,851,097	$ 19,746,241	$ 15,752,817		
Self-insurers	2,863,337								$ 2,863,337	
Investment income	7,515,400	154,126	100,879	177,206	354,854	147,604	776,135	546,418		$ 5,258,178
	71,666,511	4,102,924	3,109,731	4,988,770	10,523,259	3,998,701	20,522,376	16,299,235	2,863,337	5,258,178
Expenditure										
Claims and dependancy awards (Note 6)	60,203,193	3,812,163	2,989,030	3,935,060	7,422,943	3,010,807	19,052,041	11,859,634	2,863,337	5,258,178
Occupational health and safety	2,132,641	141,522	126,787	165,149	314,433	127,966	737,255	519,529		
Administrative	6,157,845	408,634	366,087	476,856	907,902	369,493	2,128,771	1,500,102		
Appeals tribunal	188,807	12,529	11,224	14,621	27,837	11,329	65,272	45,995		
	68,682,486	4,374,848	3,493,128	4,591,686	8,673,115	3,519,595	21,983,339	13,925,260	2,863,337	5,258,178
Excess of revenue over expenditure	2,984,025	(271,924)	(383,397)	397,084	1,850,144	479,106	(1,460,963)	2,373,975		
Appropriation to reserve funds	(4,594,525)	(294,893)	(228,711)	(347,938)	(747,789)	(294,193)	(1,504,952)	(1,176,049)		
	(1,610,500)	(566,817)	(612,108)	49,146	1,102,355	184,913	(2,965,915)	1,197,926		
Operating deficit, beginning of year, as restated (Note 7)	(24,253,819)	(1,688,054)	(1,269,001)	(2,203,344)	(1,245,526)	56,166	(10,798,825)	(7,105,235)		
Operating deficit, end of year	$(25,864,319)	$(2,254,871)	$(1,881,109)	$(2,154,198)	$ (143,171)	$ 241,079	$(13,764,740)	$(5,907,309)		

STATISTICS

- SUMMARY OF BENEFITS — 1988
- 1988 TEMPORARY EARNINGS LOSS CLAIMS BY BODY PART
- CLAIMS REPORTED FOR CURRENT AND PRIOR YEARS INJURIES
- FATAL COMPENSABLE INJURIES 1980-1988

- 1988 TEMPORARY EARNINGS LOSS CLAIMS
  — BY CLASS AND CAUSE OF INJURY
  — BY CLASS AND PART OF BODY
  — BY CLASS AND NATURE OF INJURY

- REHABILITATION CASELOAD BY YEAR

- REHABILITATION PROGRAM PAYMENTS AND NUMBERS

- 1988 REVENUE SOURCES

- 1988 EXPENDITURE DISTRIBUTION

- APPROPRIATION TO RESERVES IN 1988

- TOTAL RESERVE FUNDS

- LIABILITY FOR OUTSTANDING CLAIMS

- ASSESSABLE PAYROLLS & AVERAGE ASSESSMENT RATES

SUMMARY OF BENEFITS - 1988

Compensation Benefits:

Maximum annual earnings on which compensation is paid $45,500.00

Rate of compensation:
(1) 1983 and prior years claims ..... 75% of gross income
(2) 1984 and subsequent years claims ..... 90% of net income

Maximum weekly compensation $597.66

Minimum weekly compensation ..... $200.00, or actual net earnings if less

Dependents Benefits:

(a) Where death resulted from an injury which occurred prior to 1982 01 01
Initial lump sum to spouse $1,120.00
Monthly spouse's allowance effective 1988 01 01 ..... $ 546.34
Children's allowance, up to age 16, or 21 if attending school effective 1988 01 01 ..... $ 133.26
Funeral expenses $1,500.00

(b) Where death resulted from an injury which occurred on or after 1982 01 01
initial lump sum to spouse is based on 2½ times worker's compensable income to a maximum of $77,695.80

Maximum monthly allowance $1,942.40

Funeral Expenses effective 1988 01 01 ..... $1,500.00

Rehabilitation Benefits:

While a worker is engaged in a rehabilitation program, benefits are maintained at total earnings-loss replacement levels. Additional costs associated with training programs are also covered.

Medical Aid:

All medical expenses incurred by a worker, related to the compensable injury, including hospital, doctors, drugs and normal travel costs, are covered by the Commission.

Personal Care:

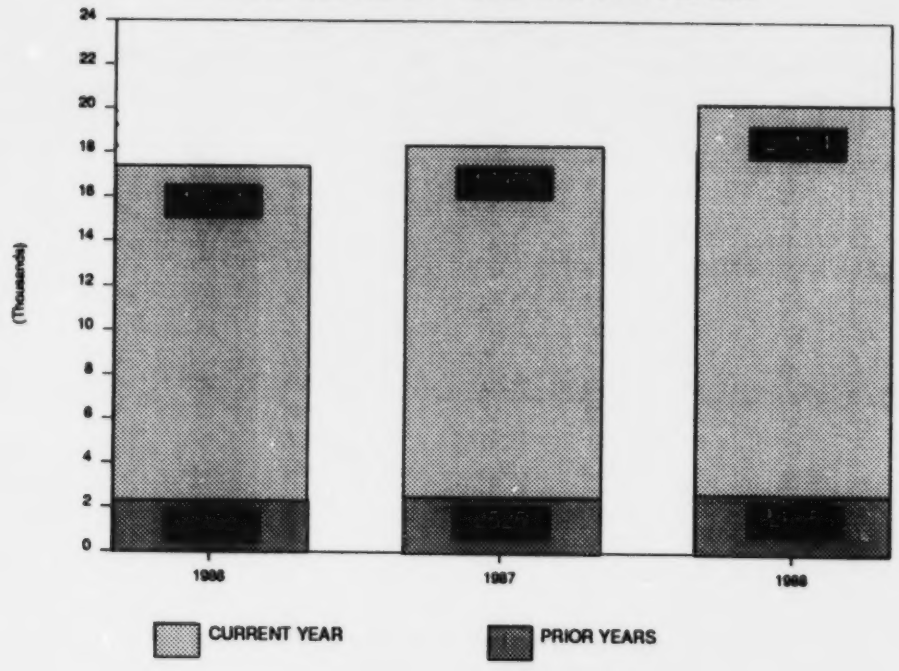
Where a worker requires special personal care during the period of recuperation, an allowance may be provided, ranging from $100.00 to $1,250 per month, depending on the severity of the injury.

1988 TEMPORARY EARNINGS LOSS CLAIMS
BY BODY PART

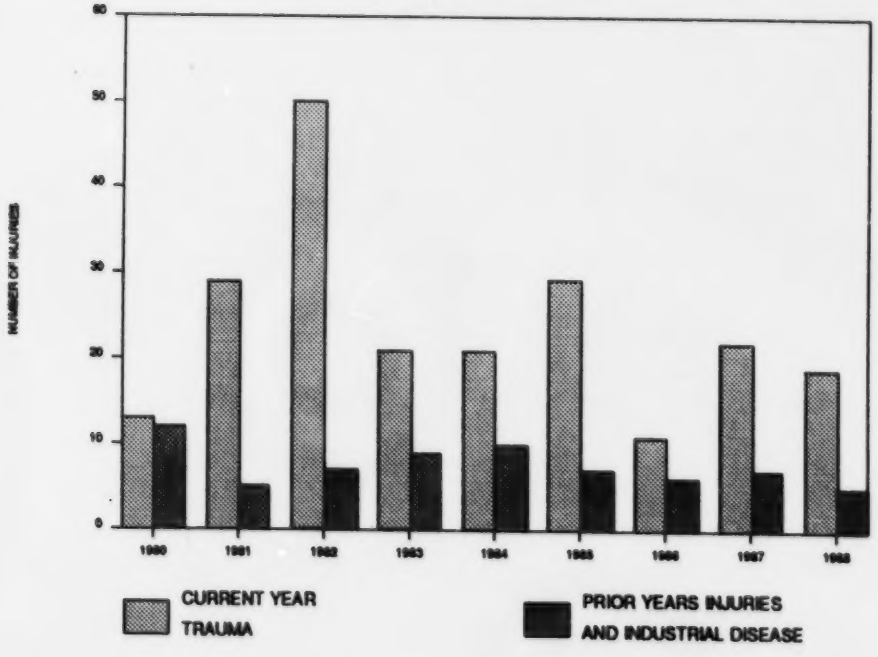
	NUMBER OF CLAIMS	PERCENT OF CLAIMS
HEAD	118	1.2
EYES	422	4.2
FACE/EARS	38	0.4
NECK	280	2.8
SHOULDERS	658	6.6
UPPER ARM	138	1.4
CHEST	320	3.2
ELBOW	185	1.9
FOREARM	235	2.4
BACK/SPINE	2774	27.8
HANDS/FINGERS	2680	26.9
PELVIC AREA	50	0.5
THIGH	132	1.3
KNEE	431	4.3
LOWER LEG	142	1.4
FOOT/TOES	892	8.9

CIRCULATORY	1	0.0
GASTROINTESTINAL	4	0.0
GENITOURINARY	2	0.0
MISCELLANEOUS	3	0.0
MULTI-INTERNAL	300	3.0
NERVOUS SYSTEM	1	0.0
OTHER SYSTEMS	7	0.1
TRUNK	142	1.4
RESPIRATORY	12	0.1

CLAIMS REPORTED FOR CURRENT AND PRIOR YEARS



FATAL COMPENSABLE INJURIES 1980-1988



TEMPORARY EARNINGS LOSS CLAIMS 1988
BY CLASS AND CAUSE OF INJURY

CAUSE OF INJURY	Mining Class 1	Forest Products Class 2	Manufacturing Class 3	Construction Class 4	Transportation Class 5	Sales Service Class 6	Fishing Class 7	Reserves Class 8	Self Insurers Class 9	Total
Bodily Reaction and Over	91	75	290	291	171	2017	976	2	453	4366
Caught In, On, or Between	30	17	77	56	21	168	187	1	43	600
Collisions	3	9	5	15	24	34	5		28	123
Contact With Electrical				2		4			1	7
Contact With Radiation	1	1	5	1	2	20	22	1	7	60
Contact With Temp Extreme	2	5	27	16	2	107	20		9	188
Fall From Elevation	21	9	43	127	42	222	108	1	102	675
Fall From Same Level	15	16	36	36	23	170	148		80	524
Miscellaneous	5	3	5	7	3	50	9	1	19	102
Rubbed or Abrated	22	54	173	125	14	398	788		84	1658
Striking Against	20	18	78	72	20	248	182		76	714
Struck By	38	43	89	120	38	326	193		103	950
TOTALS	248	250	828	868	360	3764	2638	6	1005	9967

TEMPORARY EARNINGS LOSS CLAIMS 1988
BY CLASS AND PART OF BODY

PART OF BODY	Mining Class 1	Forest Products Class 2	Manufacturing Class 3	Construction Class 4	Transportation Class 5	Sales Service Class 6	Fishing Class 7	Reserves Class 8	Self Insurers Class 9	Total
Back & Spine	71	68	176	211	145	1282	493	1	327	2774
Chest	17	8	29	21	12	122	78		33	320
Circulatory						1				1
Eyes	18	7	85	71	5	133	64		39	422
Feet & Toes	35	25	75	99	44	370	141		103	892
Gastrointestinal			2			1	1			4
Genitourinary				1		1				2
Hands & Fingers	36	51	233	195	43	791	1161		170	2680
Head & Neck	7	13	35	41	16	194	66	1	63	436
Miscellaneous					1	1	1			3
Mult. Internal Injury	7	10	24	41	20	101	49	2	46	300
Nervous System						1				1
Other Lower	30	46	62	102	31	215	123		96	705
Other Systems				2		2	2		1	7
Other Trunk	13	16	60	42	30	355	261		73	850
Other Upper	14	6	46	42	13	194	191		52	558
Respiratory			1				7	2	2	12
TOTALS	248	250	828	868	360	3764	2638	6	1005	9967

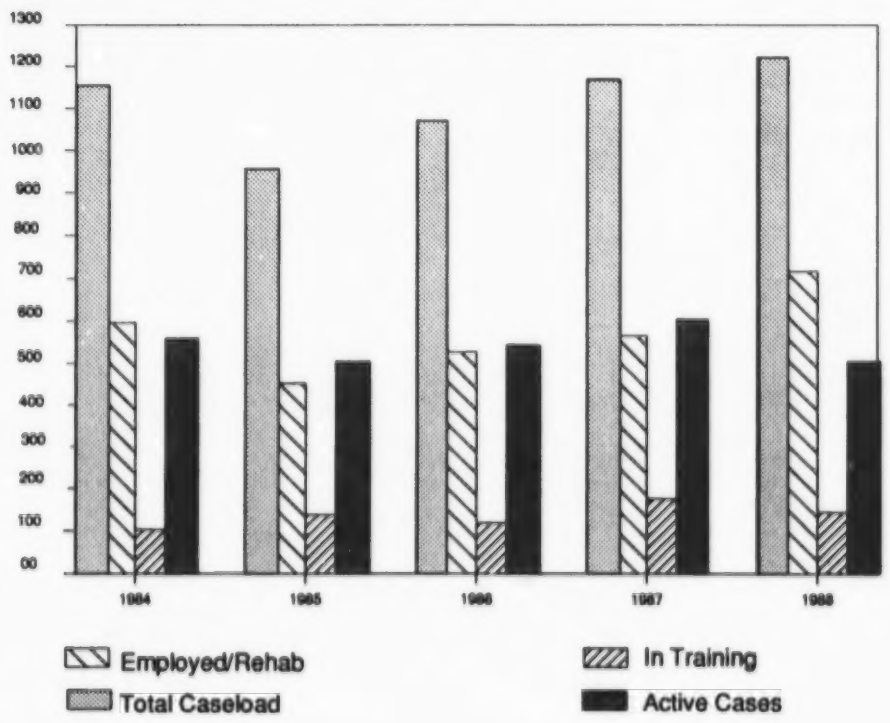
TEMPORARY EARNINGS LOSS CLAIMS 1988
BY CLASS AND NATURE OF INJURY

NATURE OF INJURY	Mining Class 1	Forest Products Class 2	Manu-facturing Class 3	Construc-tion Class 4	Transporta-tion Class 5	Sales Service Class 6	Fishing Class 7	Reserves Class 8	Self Insurers Class 9	Total
Abrasions	14	7	70	62	5	127	59		37	381
Amputation	6		4	4		5	3		2	24
Burns	4	6	30	20	3	116	20		11	210
Concussions	1	1	1	4	1	2	1		5	16
Contact With Electrical				1		4				5
Contagious & infectious						4	1		1	6
Contusions	62	40	152	180	57	571	513	1	211	1787
Dislocation	2		2	7	1	17	8		1	38
Fracture	16	18	27	64	19	103	48		32	327
Freezing & Frostbite							3			3
Hernia			2	1	1	1	5		2	12
Industrial Diseases								1		1
Irritation Joints/Muscles	3		6	5	2	23	44		8	91
Miscellaneous	5	3	3	7	3	45	8	1	19	94
Multiple Injuries	3	6	8	25	11	36	9		19	117
Non Personal Damage	1		2	2		2	3			10
Occupational Illness	1				1	1	2		2	7
Open Wounds	17	65	136	122	22	421	764		71	1618
Poisoning Inhalation		1	3		3	2	11		5	25
Psychological/Unidentified				1		5	1		1	8
Radiation Effects	3		16	3		6	3		4	35
Skin Inflamation			5	1		17	12		3	38
Sprains	110	103	361	359	231	2256	1120	3	571	5114
TOTALS	248	250	828	868	360	3764	2638	6	1005	9967

REHABILITATION CASELOAD BY YEAR

	1988		1987		1986		1985		1984	
No. of Counsellors	9		5		5		5		5	
Returned to Employment	338		277		277		225		340	
Programmed	339		242		173		167		199	
Refused Services	9		11		16		20		29	
Non Vocational Matter	32		37		47		23		29	
Other Closures					15		16			
Resolved Cases	718	(59%)	567	(48%)	528	(49%)	451	(46%)	597	(51%)
Presently in Training	144		176		118		138		104	
Other Programs	101		40		25					
Under Medical Treatment	137		119		186		161		272	
Unsuccessful to Date	39		128		89		63		41	
Not Contacted	85		141		126		126		142	
Active Cases	506	(41%)	604	(52%)	544	(51%)	505	(54%)	559	(49%)
Total Case Load	1,224		1,171		1,072		956		1,156	

REHABILITATION CASELOAD BY YEAR

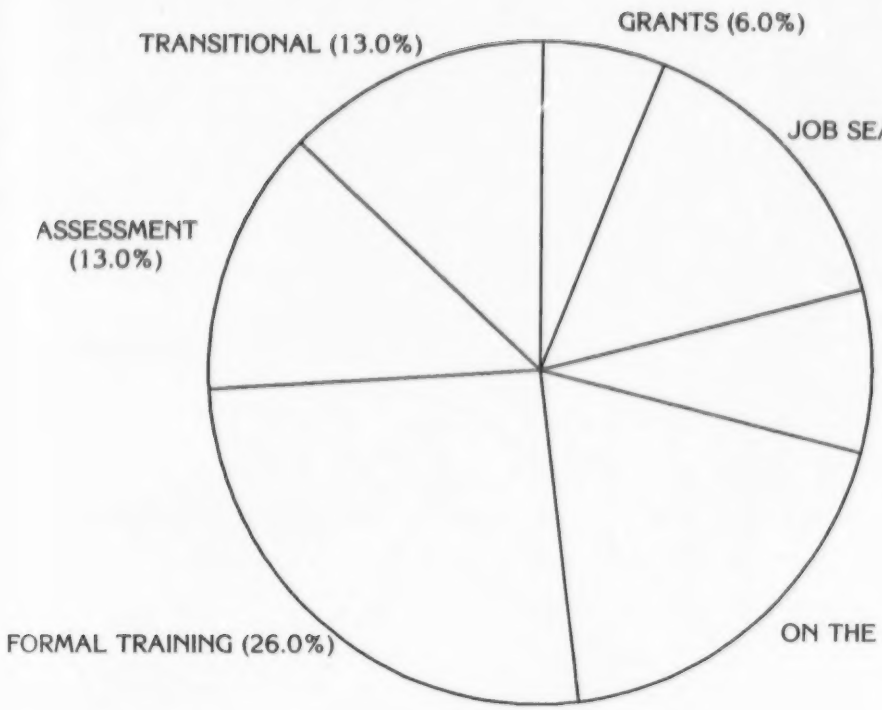


REHABILITATION PROGRAMS

Program Payments
$4,346,000

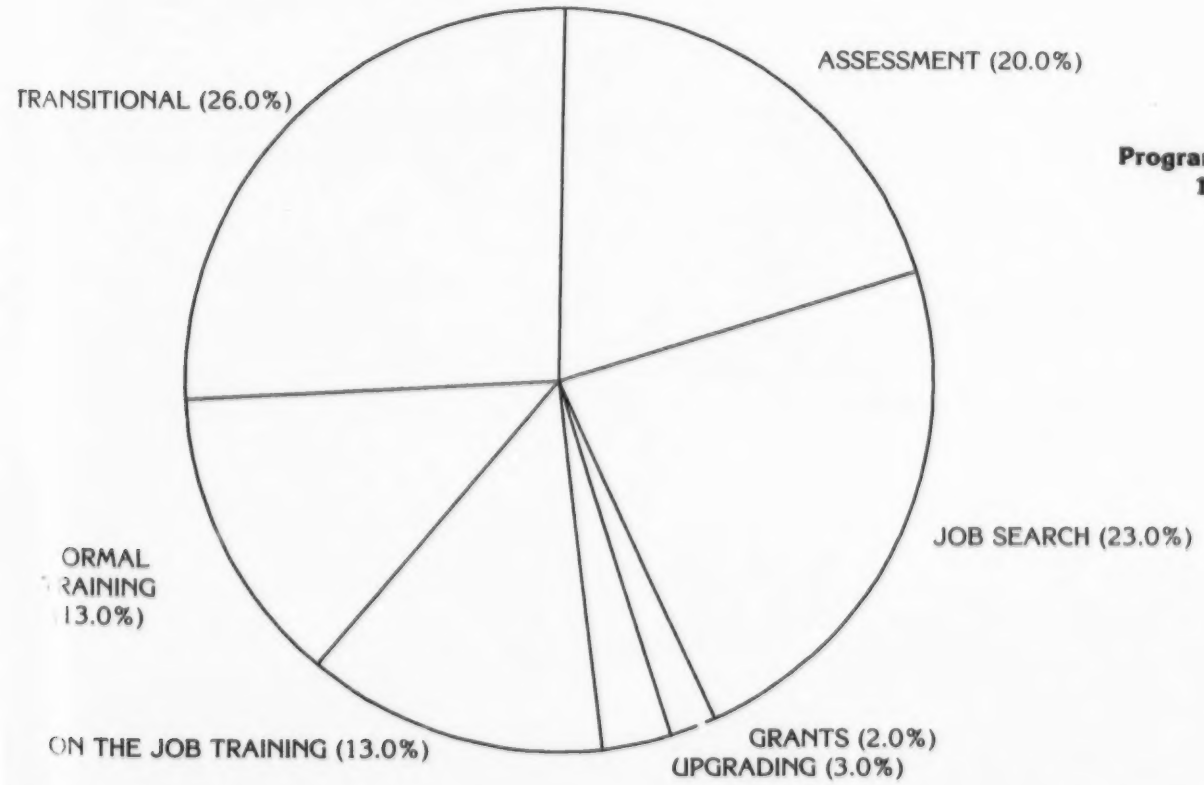
Note:

1. **Assessment Program** assists workers in returning to their usual pre-injury employment. Early Intervention.

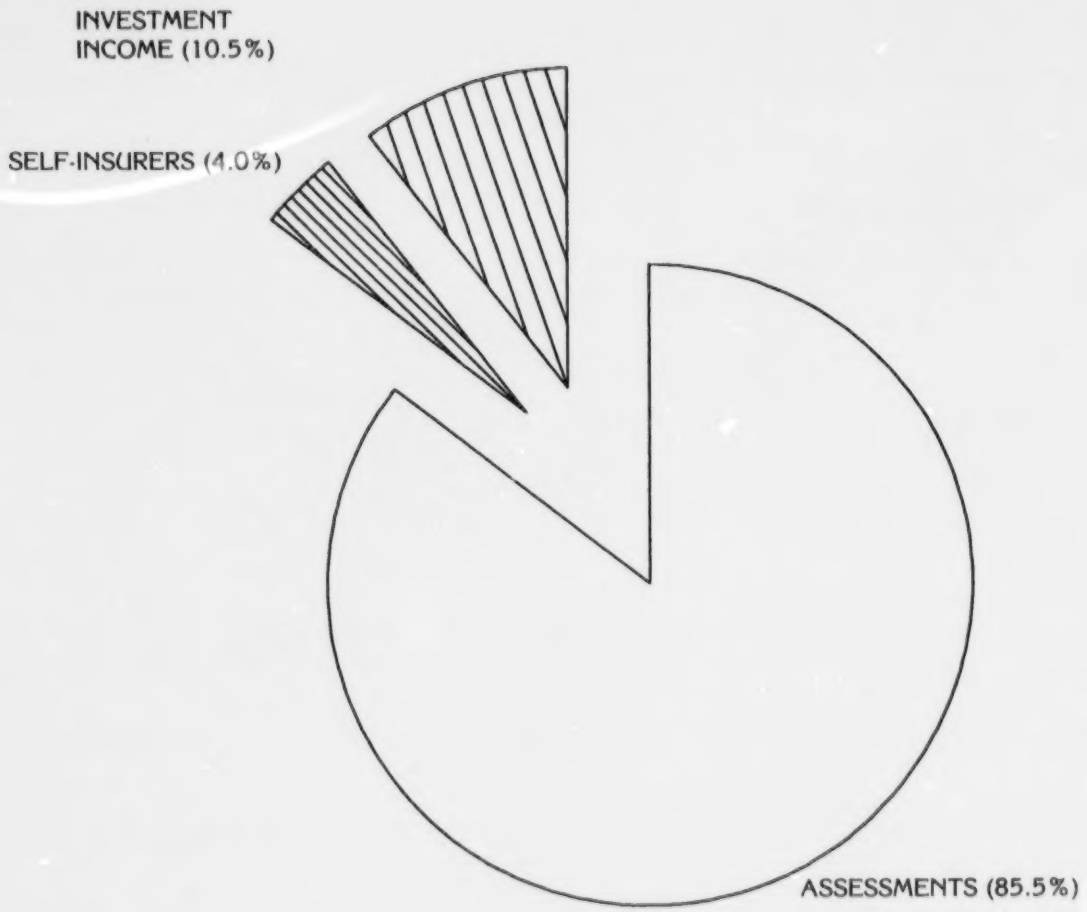


2. **Transitional Payments** are made during the interim period when a Rehab Program is being ARRANGED.

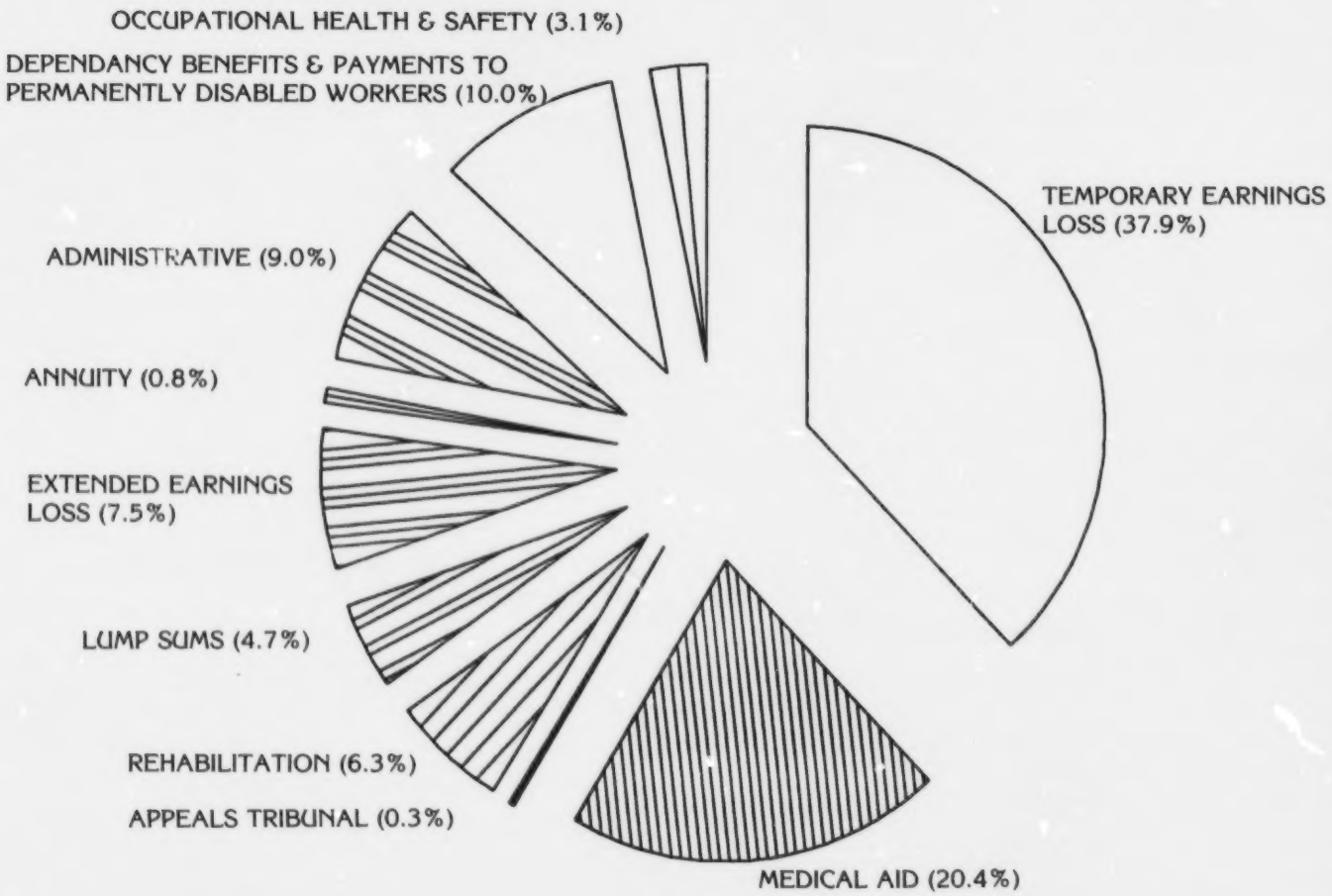
Program Numbers
1,235



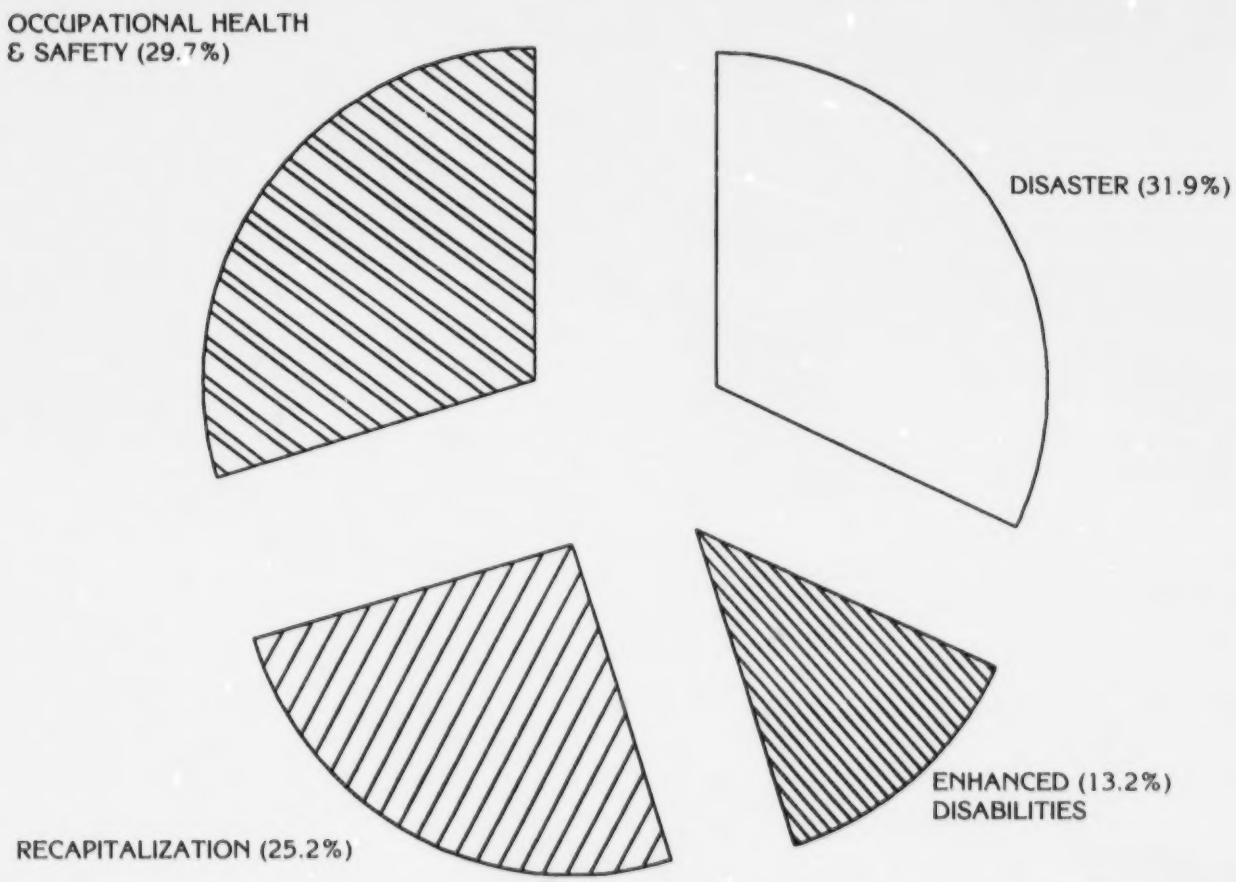
1988 REVENUE SOURCES
$71,666,511



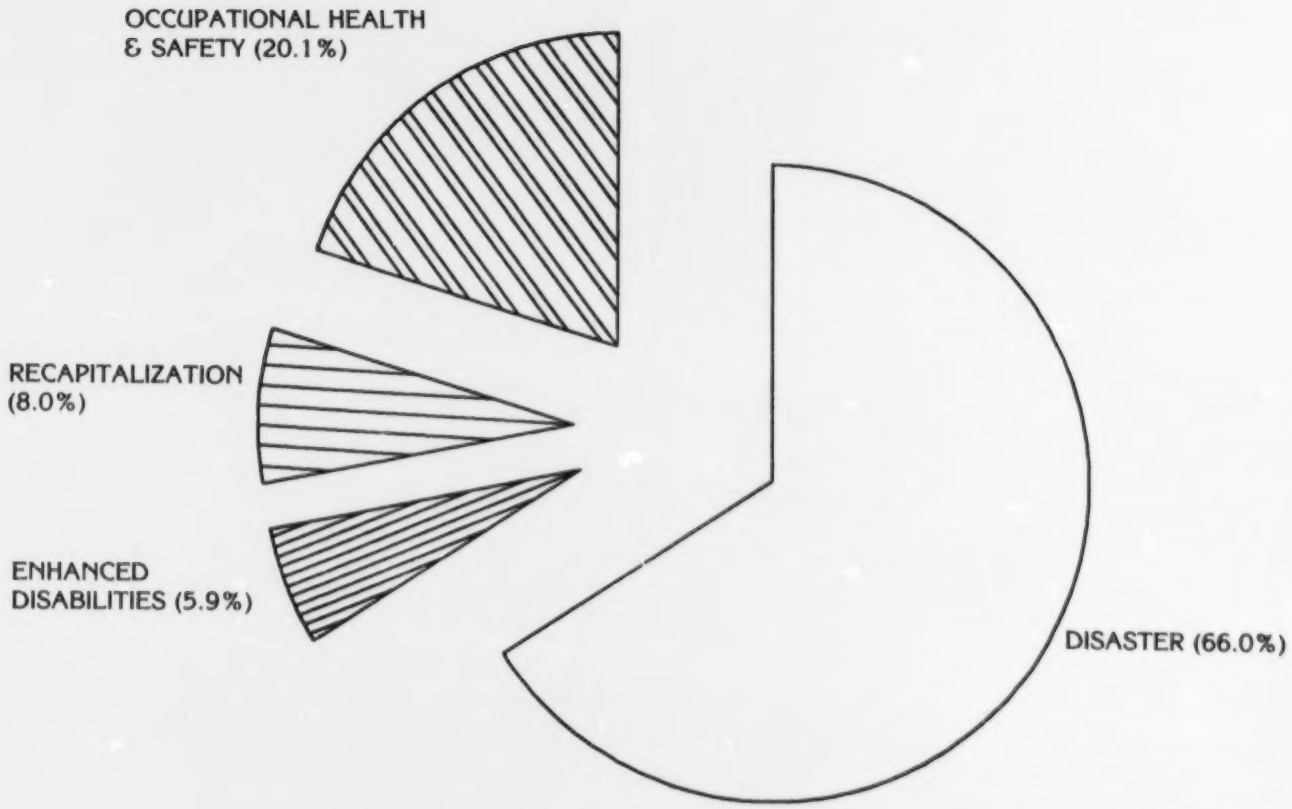
1988 EXPENDITURE DISTRIBUTION
$68,682,486



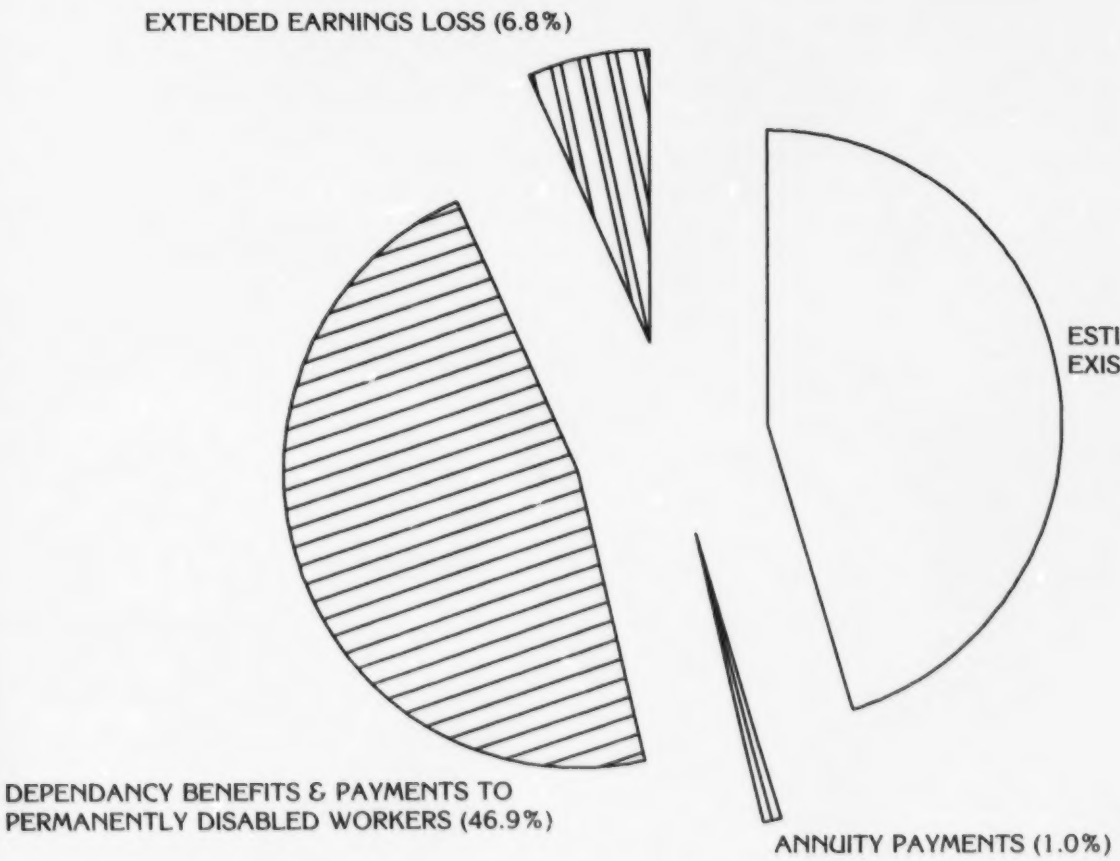
APPROPRIATION TO RESERVES IN 1988
$4,594,525



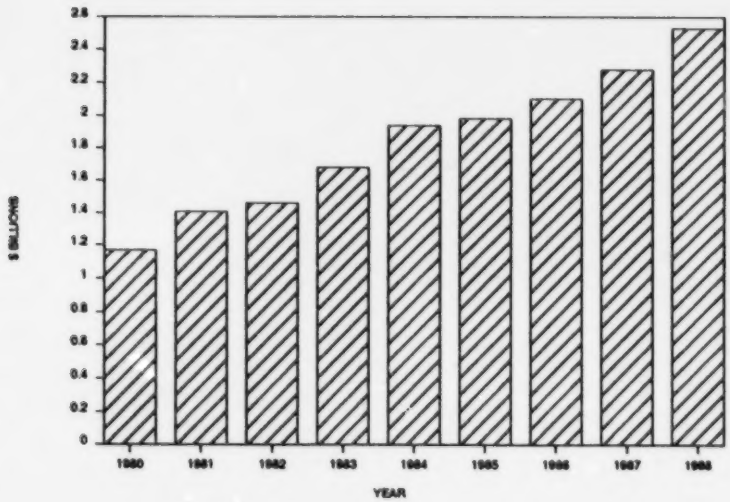
TOTAL RESERVE FUNDS
$15,151,178



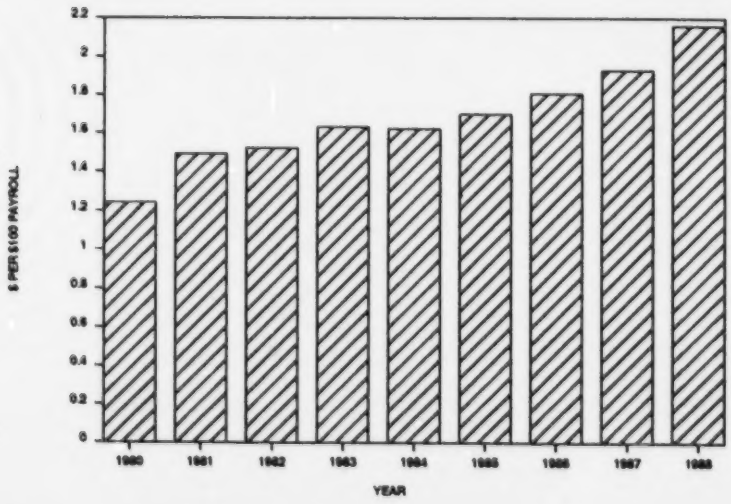
LIABILITY FOR OUTSTANDING CLAIMS
$109,393,993



ASSESSABLE PAYROLLS



AVERAGE ASSESSMENT RATES



Note: ASSESSABLE PAYROLLS are based on Employers Estimates as at December 31 of each year. Average Assessment Rates are calculated on those estimates.